AIR POUCH
PRIORITY

CONFIDENTIAL
(Security Classification)

DO NOT TYPE IN THIS SPACE
773.5-MSP/6-755

FOREIGN SERVICE DESPATCH

FROM : AmEmbassy: TRIPOLI — 360 DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON. June 7, 1955 DATE

REF : Embdesp 284, April 9, 1955; Deptel 423, May 3, 1955

LEGAL ADVISER
JUN 20 1955
DEPARTMENT OF STATE

For Dept. Use Only	ACTION REC'D 6/17	DEPT.
		INFO RMR-2 E-4 S/MSA-1 ofi 6
		OTHER Ci-s FOA-10 TR-3 OSD-4

SUBJECT: Transfer of FOA Funds to Libyan-American Reconstruction Commission

On May 6, 1955, a letter was sent by the Ambassador to the Libyan Prime Minister informing him that USOM/L was prepared to transfer three million dollars ($3,000,000) to the Libyan-American Reconstruction Commission (LARC) in accordance with certain provisions of the economic aid agreement of September 9, 1954. A certified copy of the letter is transmitted as Enclosure No. 1, and a copy in reproducible form as Enclosure No. 2.

A reply dated May 30, 1955, has been received from the new Deputy Prime Minister, Abdul Majid Kubaar, who is at the present time also the Acting Minister of Foreign Affairs. The Prime Minister himself is in Egypt. The Arabic original of the reply is transmitted as Enclosure No. 3, and an unofficial translation made by the Embassy is transmitted in reproducible form as Enclosure No. 4.

The reply conforms in full with the provisions of the Ambassador's letter to the Prime Minister. However, since it was stated in the Ambassador's letter that the funds would be transferred as directed by the Commission (LARC), it will presumably be necessary to await formal action by the Commission before the funds can be deposited in the LARC account held by the Secretary of the Treasury. No difficulty is anticipated in securing from the Commission the required directive, which will be forwarded when received.

In view of the provisions in the economic aid agreement of September 9, 1954, for the conclusion of further agreements in implementation of the original agreement and in view of the inclusion of such further agreements and understandings in this exchange

DEPARTMENT OF STATE, A/CRC/MR
REVIEWED BY J.M. Razi DATE May 6 1982
RDS☐ or XDS☐ENT. DATE
TS AUTH. REASON(S)
ENDORSE EXISTING MARKINGS ☐
DECLASSIFY ✓ DOWNGRADE
RELEASE ☐ EXCISE ☐
PA or FOI EXEMPTIONS

DEPARTMENT OF STATE
I/P
JUN 1955
FILE COPY

File redaction mm 7/20/55

EK:undy/smf
REPORTER

CONFIDENTIAL

ACTION COPY — DEPARTMENT OF STATE

The action office must return this permanent record copy to D/F files with an endorsement of action taken.

773.5-MSP/6-755 CONFIDENTIAL FILE

CONFIDENTIAL
(Classification)

DECLASSIFIED

of letters, enclosures Numbers 1 and 3 are forwarded for the attention of the Assistant for Treaty Affairs, Office of the Legal Adviser. The Embassy has retained certified copies of these enclosures for its files.

For the Ambassador:

David G. Nes

David G. Nes
First Secretary of Embassy

Enclosure:

1. Certified copy of letter from Ambassador to Libyan Prime Minister dated May 6, 1955.
2. Reproducible copy of above letter.
3. Arabic original of letter from Prime Minister to Ambassador dated May 30, 1955.
4. Unofficial translation in reproducible form of above letter.

originals retained in L/T; photostats attached.

cc: Benghazi

CONFIDENTIAL

DECLASSIFIED

Page_____of
Desp. No._____
From_____

CONFIDENTIAL
(Classification)

Page 1 of
Encl. No. 2
Desp. No. 360
From TRIPOLI

American Embassy,

Tripoli, May 6, 1955.

Excellency:

I have the honor to refer to the economic assistance agreement concluded between the Government of the United States of America and the Government of the United Kingdom of Libya on September 9, 1954. You will recall that this agreement stated, inter alia, that three million dollars ($3,000,000) of assistance by the United States Government for economic development in Libya would be available for commitment during the United States fiscal year ending on June 30, 1955. You will recall that provision of assistance under the proposals contained in the agreement was to be subject to the conclusion of such additional agreements as might be necessary to meet the requirements of applicable United States legislation and procedures.

I am pleased to inform Your Excellency that in accordance with the above provisions of the September 9 agreement the United States Operations Mission to Libya is prepared to transfer to the Libyan-American Reconstruction Commission the sum of three million dollars ($3,000,000).

Upon receipt of notification from Your Excellency that the Libyan-American Reconstruction Commission is prepared to accept these funds for the purposes agreed upon herein, as the appropriately designated agency of your government, the specified funds will be transferred as directed by the Commission and will be subject to instructions on their custody and disposition from a duly authorized officer or officers of the Commission in accordance with its enabling legislation or rules of procedure.

It is understood that these funds will be devoted to the furtherance of the economic development of Libya and that the duly designated representative of the United States Government will be provided access to such information concerning projects to be financed from these funds as may in its judgment be considered necessary to satisfy the requirements of applicable United States legislation and administrative regulations.

Your Excellency is requested to confirm that, in addition to the funds specified in this note, the Libyan Government is prepared to place all United States funds made available under the terms of the September 9, 1954 agreement under the control of the Libyan American Reconstruction Commission.

John L. Tappin

His Excellency
Mustafa ben Halim,
Prime Minister and Minister of Foreign Affairs
of the United Kingdom of Libya,
Tripoli.

CONFIDENTIAL

DECLASSIFIED

CONFIDENTIAL
(Classification)

Tripoli, May 30, 1955
No. 2331/7/26

Excellency:

I have the honor to refer to your letter of May 6, 1955, in which you informed me that, under the terms of the agreement concluded between the Government of the United Kingdom of Libya and the Government of the United States of America on September 9, 1954, in Benghazi, the American Operations Mission in Libya is prepared to transfer the sum of three million dollars to the Libyan-American Reconstruction Commission.

I am pleased to inform you that this Commission is prepared to accept this sum for the agreed purposes as mentioned in Your Excellency's letter referred to above.

It is also understood that this sum will be earmarked for financing new projects for economic development in Libya and that the representative designated by the United States will be provided with the information regarding the projects to be financed by the above mentioned sum he finds necessary to satisfy United States legislation and administrative regulations.

I have the pleasure to confirm that the Libyan Government is ready to put at the disposal of the Libyan-American Reconstruction Commission all the funds made available by the United States under the terms of the agreement of September 9, 1954, and that is in addition to the funds indicated in Your Excellency's letter.

I avail myself of this occasion to express to Your Excellency my highest respect and consideration.

/s/ Abdul Majid Kubaar

Deputy Prime Minister and
Acting Minister of Foreign
Affairs

His Excellency
John L. Tappin,
Ambassador of the United States of America in Libya,
Tripoli.

CONFIDENTIAL

CLASSIFIED

DECLASSIFIED

UNITED KINGDOM OF LIBYA)
CITY OF TRIPOLI) SS:
EMBASSY OF THE UNITED STATES OF AMERICA)

I, Frederic K. Lundy, Jr., Consul of the United States of A- ica at Tripoli, Libya, duly commissioned and qualified, do hereb certify that the annexed copy of a letter dated May 6, 1955 from John L. Tappin, Ambassador of the United States of America in Li to Mustafa ben Halim, Prime Minister and Minister of Foreign Af s of the United Kingdom of Libya, concerning an agreement for the nsfer from the United States Operations Mission in Libya to the Libyan erican Reconstruction Commission of three million dollars of assistance r economic development is a true and correct copy of the signed or nal, the same having been carefully examined by me and compared with said original and found to agree therewith word for word and fig for figure.

IN WITNESS WHEREOF I have hereunto set my hand and affixed sea of the Embassy of the United States of America at Tripoli, Libya is eighth day of June, 1955.

Frederic K. Lundy, Jr.,
Consul of the United States of Amer

Service No. _____
Tariff Item No. 3
No Fee Prescribed

DECLASSIFIED

DECLASSIFIED

American Embassy,

Tripoli, May 6, 1955.

Excellency:

I have the honor to refer to the economic assistance agreement concluded between the Government of the United States of America and the Government of the United Kingdom of Libya on September 9, 1954. You will recall that this agreement stated, inter alia, that three million dollars ($3,000,000) of assistance by the United States Government for economic development in Libya would be available for commitment during the United States fiscal year ending on June 30, 1955. You will recall that provision of assistance under the proposals contained in the agreement was to be subject to the conclusion of such additional agreements as might be necessary to meet the requirements of applicable United States legislation and procedures.

I am pleased to inform Your Excellency that in accordance with the above provisions of the September 9 agreement the United States Operations Mission to Libya is prepared to transfer to the Libyan-American Reconstruction Commission the sum of three million dollars ($3,000,000).

Upon receipt of notification from Your Excellency that the

Libyan-

His Excellency

Mustafa ben Halim,

Prime Minister and Minister of Foreign Affairs

of the United Kingdom of Libya,

Tripoli.

NARS, Date 12-18-75

DECLASSIFIED

Libyan-American Reconstruction Commission is prepared to accept these funds for the purposes agreed upon herein, and the appropriately designated agency of your government, the specified funds will be transferred as directed by the Commission and will be subject to instructions on their custody and disposition from a duly authorized officer or officers of the Commission in accordance with its enabling legislation or rules of procedure.

It is understood that these funds will be devoted to the furtherance of the economic development of Libya and that the duly designated representative of the United States Government will be provided access to such information concerning projects to be financed from these funds as may in its judgment be considered necessary to satisfy the requirements of applicable United States legislation and administrative regulations.

Your Excellency is requested to confirm that, in addition to the funds specified in this note, the Libyan Government is prepared to place all United States funds made available under the terms of the September 9, 1954 agreement under the control of the Libyan American Reconstruction Commission.

John L. Tappin

DECLASSIFIED